

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7134

BILL NUMBER: HB 1789

DATE PREPARED: Jan 14, 2001

BILL AMENDED:

SUBJECT: State Merit Employment.

FISCAL ANALYST: John Parkey

PHONE NUMBER: 232-9854

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill amends the policies and purposes of the State Personnel Act by adopting the current federal standards for merit systems of personnel administration. The bill provides that classified service vacancies shall be filled by means approved by the State Personnel Director in accordance with merit system principles. The bill repeals provisions that: (1) require the State Personnel Director to administer tests and certify eligible lists; (2) establish the career bipartisan personnel system; and (3) require each agency that employs engineers to adopt rules establishing a merit system. The bill retains preference for military veterans. The bill also reconciles language on disqualification of applicants with the federal Americans with Disabilities Act.

It also makes conforming and other technical amendments.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill is expected to lower the State Personnel Department's administrative expenses as a result of the adoption of current federal personnel administration standards. The current practice of the State Personnel Department is to fill certain vacancies with prospective employees who have been tested and placed on what is called the "eligibles list". The bill eliminates the requirement that the Department administer tests and certify the lists of eligible applicants. The elimination of these lists will allow the Department to determine whether an individual is qualified to fill a vacancy solely through the review and analysis of the individual's education, work history, and other relevant factors. The State Personnel Department anticipates that any costs saved will be used to enhance staff training on the new hiring process.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Personnel Department.

Local Agencies Affected:

Information Sources: Keith Beesley, State Personnel Department, (317) 232-3062.